

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

YIELD10 BIOSCIENCE, INC., *et al.*

Debtors.

Chapter 11

Case Nos. 24-12752-MFW, *et seq.*

Hearing Date: January 8, 2025, 12:00 p.m.

Objections due by: January 3, 2025, 12:00 pm

Re: Docket No. 7.

**VISION BIOENERGY OILSEEDS LLC'S
LIMITED OBJECTION AND RESERVATION OF
RIGHTS REGARDING DEBTORS' MOTION FOR ENTRY OF:
(I) AN ORDER (A) APPROVING FORM AND MANNER OF NOTICES
AND (B) SCHEDULING A SALE HEARING AND ESTABLISHING
DATES AND DEADLINES RELATED THERETO, INCLUDING
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED
LEASES; AND (II) AN ORDER (A) AUTHORIZING THE SALE OF
SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE AND CLEAR
OF LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS,
(B) GRANTING THE BUYER THE PROTECTIONS AFFORDED TO
A GOOD FAITH BUYER, AND (C) GRANTING RELATED RELIEF**

Vision Bioenergy Oilseeds LLC ("Vision"), by its undersigned attorneys, files this limited objection and reservation of rights with respect to the sale motion (Docket No. 7) (the "Sale Motion") filed by debtor and debtor-in-possession Yield10 Bioscience, Inc. and its affiliated debtors (collectively, the "Debtors"), and in support hereof states as follows:

1. On December 6, 2024 (the "Petition Date"), the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code, together

with the Sale Motion and certain other requests for relief. Since the Petition Date, the Debtors have managed their affairs and remained in possession of their assets as debtors in possession pursuant to 11 U.S.C. §§ 1107 and 1108.

2. Pre-petition, debtor and debtor-in-possession Yield10 Bioscience, Inc. (“Yield10”) and Vision entered into that certain License and Service Fee Agreement dated February 9, 2024 (the “LSFA”). The LSFA, among other things: (a) confirms Vision’s ownership of certain biological materials and data more particularly described therein (collectively, the “Vision Materials”); (b) provides Vision with a global, fully-paid, royalty-free, perpetual, irrevocable, right and license to certain intellectual property; and (c) requires Yield10 to render certain services and performance for the benefit of Vision. Vision rendered all performance required of it under the LSFA, including the payment of a Three Million Dollar (\$3,000,000.00) license fee to Yield10; the LSFA also allowed Yield10 to possess, utilize, and exercise certain controls over various Vision Materials for Vision’s benefit.

3. Yield10 failed to fully, timely, and properly discharge its obligations to Vision under the LSFA, despite Vision’s repeated requests that Yield10 render such performance.

4. On December 4, 2024, Vision transmitted to Yield10 a written Notice of Default, Exercise of Contractual Rights, and Demand for Materials and Know-How.

5. On December 4, 2024, Vision provided Nuseed Nutritional US, Inc. (“Nuseed”) with written notice of, among other things, Yield10’s defaults under the LSFA.

6. Under the Sale Motion, the Debtors propose to sell substantially all of their assets to Nuseed, subject to the terms and conditions specified therein and in accordance with a proposed sale order attached as Exhibit B to the Sale Motion (the “Sale Order”).

7. Vision opposes the Sale Motion to the extent that it includes: (a) the sale of any portion of the Vision Materials; or (b) the assumption and assignment of the LSFA, for the following reasons:

- a. Neither the Debtor nor bankruptcy estate possesses any right, title, or interest in the Vision Materials;
- b. The LSFA is not an executory contract that may be properly assumed; and
- c. Even if the LSFA were an executory contract that could be assumed and assigned, the Debtors have not met the requirements for such assumption and assignment under 11 U.S.C. § 365.

8. Shortly following receipt of the Sale Motion, Vision contacted Nuseed to discuss the same; Vision and Nuseed have subsequently continued to engage in seemingly productive negotiations related to the Sale Motion.

9. Based upon the discussions between Vision and Nuseed, Vision understands that, notwithstanding any language to the contrary contained within the Sale Motion and ancillary documentation: (a) Nuseed does not intend to acquire the Vision Materials from the Debtors; and (b) Nuseed does not intend to include the LSFA among the executory contracts that will be assumed and assigned to Nuseed.

10. Nuseed and Vision are actively engaged in negotiating the terms of a Memorandum of Understanding that is expected to confirm much of the foregoing and contain a provision for inclusion in the Sale Order that addresses certain understandings of the parties (the “MOU”).

11. Specifically, Vision respectfully requests inclusion of a provision to the Sale Order in substantially the following form¹:

“Notwithstanding anything in this Sale Order or the Purchase Agreement to the contrary, neither the Sale nor this Order shall impair, alter, modify, improve, or diminish the rights, claims, or interests of Vision Bioenergy Oilseeds, LLC (“**Vision**”) under (i) the Memorandum of Understanding dated January __, 2025 executed by Vision and Nuseed (“**MOU**”) or (ii) the February 9, 2024 License and Service Fee Agreement between Vision and Y10 (the “**LSFA**”). Nothing in this order shall constitute authority for the Debtor to assume and/or assign the LSFA or the Vision Materials (as defined in the MOU). The LSFA are not Purchased Assets, and nothing in this order shall constitute authority for the Debtor to sell or otherwise transfer them.”

¹ With applicable amendments if Vision and Nuseed are unable to execute a mutually agreeable MOU by entry of the Sale Order.

12. Pending documentation of the MOU and the entry of a Sale Order consistent with the foregoing, Vision files this Limited Objection and Reservation of Rights, ensuring that assets owned by Vision are not sold, assigned, or transferred without its consent, and preserving all of its rights in connection with the proposed sale of the Debtor's assets to Nuseed.

Dated: January 3, 2025
Wilmington, Delaware

Respectfully submitted,

HILLER LAW, LLC

/s/ Adam Hiller
Adam Hiller (DE No. 4105)
300 Delaware Avenue, Suite 210, #227
Wilmington, Delaware 19801
(302) 442-7677 telephone
ahiller@adamhillerlaw.com

-and-

Vision Bioenergy Oilseeds LLC
Attn: Aaron J. Malo, Esquire
Sheppard Mullin Richter & Hampton LLP
650 Town Center Drive, 10th Floor
Costa Mesa, California 92626
Telephone: (714) 513-5100
amalo@sheppardmullin.com

*Attorneys for Vision Bioenergy Oilseeds
LLC*